Batson Field Views

Texas Petroleum Statistics for 1903

Oil Investors' Journal

THE TRUTH AND NOTHING BUT THE TRUTH CONCERNING THE BEAUMONT FIELD AND OTHER SOUTHWESTERN OIL FIELDS.

Single Copies 5c.

VOL. 2 SEMI-MONTHLY

BEAUMONT, TEXAS, U. S. A., JANUARY 15, 1904.

NO. 16 ONE DOLLAR A YEAR

BATSON IS A GREAT FIELD.

Seven Gushers Already in With an Estimated Average Capacity of 10,000 Barrels Per Well—One Million Barrels of Earthen Tankage Contracted for and Under Construction—Pipe Lines Moving as Much as 1200 Barrels an Hour.

The events of the first two weeks of 1904 have firmly installed the Batson field as the most important oil development of Southeast Texas.

Seven gushers have already been completed and although no actual gauge has been made of their combined production, it may be conservatively estimated that they will average close to 10,000 barrels per well.

The pipe lines of the J. M. Guffey Petroleum Company and the Texas Company are being pushed to their utmost capacity, and deliveries as high as 1200 barrels per hour have been reached by the combined lines.

Within a radius of one-half mile from the original Paraffine well, more than forty derricks have been erected and within the next fifteen days ten additional gushers should be brought in.

Fires Have Been Numerous.

The volatile nature of the oil has taught the operators some valuable lessons, at a cost of several thousand dollars damage by fire. Four fires have already swept away everything within their reach, and it is now conceded that the greatest precautions must be exercised to preserve the developed portion of the field from a fire which would wipe out all of the surface improvements which have been so far erected. The greatest precaution is now being shown by all of the operators, and small leaks from pipe lines and tanks, which at Spindletop and Sour Lake could be ignored, are being watched with the greatest care.

It is estimated that fully 1,000,000 barrels of earthen tankage is either under construction or contracted for, and this amount will no doubt be doubled within the next sixty days.

Deadly Gas From the Wells.

The gas which is discharged with the oil has shown itself to be of an exceptionally deadly nature, and has already caused the abandonment of the first tented settlement at Batson.

In the Batson Oil Field.

Paraffine Oil Company's No. 2 Well at Batson flowing into Earthern Reservoir through 1900 feet of four inch flow line. Doing about 4,500 barrels daily. This well has in it 1000 feet of four inch drill pipe which obstructs its flow. Efforts to remove this pipe, when the well came in, proved futile. Depth of well 1,150 feet.

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The experiences of the occupants of the tents surrounding the Batson development if told would fill volumes. Fortunately, the gas when at its worst was not ignited, otherwise a very heavy loss of life would undoubtedly have occurred.

When the wells Nos. 2 and 3 of the Paraffine Oil Company and No. 1 Riley operated by the Guffey Company, were discharging into settling tanks the gas became so dangerous that imperative orders were issued by both companies to all occupants of buildings and tents to vacate immediately. These orders had been given several weeks previously, but had been ignored.

The well known as Riley No. 1, operated by the Guffey Company, was brought in the 3rd instant, but was not allowed to flow with the gate valve wide open until the middle of the week. The gas from this well together with that from the earthen tank of the Paraffine Oil Company, swept in upon the little settlement and in a few hours had killed all domestic animals in its path, which were unable to escape.

Former Settlement Depopulated.

Up until the present time but one death has occurred among the many citizens of the settlement, and this death may be attributed to carelessness. Nearly all of the occupants of the tents and buildings in the vicinity of the wells were "squatters" on the lands of the large companies, and an exodus was immediately commenced which has completely depopulated the area, which a few weeks ago was covered by tents and temporary buildings, all of these having been moved a considerable distance from the producing wells.

The gas is found to be practically the same weight as the atmosphere and when freshly discharged is even heavier than air. It thus immediately seeks the ground on being discharged with the oil, with the result that it spreads over an immense area in a very short time.

Tanks Ignited From Gas Fire.

The various fires which have occurred in almost every case have been noticed to travel a considerable distance along the ground, thus indicating the collection of gas near the surface.

This was especially noticeable a few days ago when the tanks owned by W. B. Sharp were destroyed. Mr. Sharp stated that the gas flame burned over an area 300 feet in diameter surrounding his tank before the tank was ignited.

All of the fires so far have been started by accident, although many threats have been made by the rougher element at Batson to fire settling tanks and other reservoirs in case the operators allowed their wells to flow.

Mob law practically ruled for several days and numerous instances might be given where operators were forced at the point of rifles, to shut in wells which were being allowed to flow in the settling tanks.

Methods of Carrying Off the Gas.

Fortunately the operations at present being conducted to a great extent, are outside the timber area, thus permitting much of the gas to be blown away as rapidly as discharged with the oil. Numerous experiments are being tried by the operators to lessen the danger to life by collecting the gas as fast as discharged and burning it at some distance from the well.

W. B. Sharp has succeeded in constructing a covered tank into which his No. 1 well is flowing with a large gas connection leading from the top of the tank to a point some distance away where the gas is burned as fast as it separates from the oil. It is stated that his well has produced as high as 750 barrels of oil per hour, all of the gas being burned as fast as discharged.

Poor Place for Small Acreage Operators.

The Guffey Company has been delivering its oil a considerable distance from the field into settling tanks, which method has, to some extent, lessened the difficulties surrounding the operations of Riley No. 1. It is clearly evident from the experience now gained from the wells which have been completed, that the greatest difficulty will attend the operation of wells located on small tracts of land where any attempt is made to flow the oil into settling tanks near the wells.

Fully 100 people were under the influence of gas for several hours on the night of the 7th instant, and even the old, experienced operators state that Spindletop and Sour Lake never presented the difficulties which accompany the situation at Batson.

Legal Battle Is in Progress.

It will thus be evident that the past two weeks have not been lacking in excitement at the new field, and this has been heightened to some extent by the strenuous legal battle which is on between the R. E. Brooks interests and the Guffey Company, acting for H. A. Phillips of Pittsburg. The various injunctions which have been issued in favor of both parties have been seemingly amended and changed from day to day, with the result that a portion of the Guffey property has been alternately in the possession of the Guffey Company and the Brooks interests. This condition of affairs also applies to several other operators near Batson whose legal claims have not as yet been finally adjusted by the courts.

Indications of a Large Pool

At the present date, no pr[illegible]ons can be made as to the probable size of the Batson pool. None of the wells which are being drilled in the territory surrounding the present [illegible]opment have reached a depth [illegible]ch either condemns or proves the [illegible]ritory. It may be expected that [illegible]hin the coming fortnight one or [illegible] of the outlying wells will have [illegible]mpleted and these outside wells [illegible]ing watched with the keenest [illegible]est. All of the wells which have [illegible]ed the 1150 foot stratum have [illegible] the formation practically uniform [illegible] in nearly every case it has be[illegible] possible to put the drill more [illegible] four or six feet in the oil rock [illegible] the well becomes unmanage[illegible] The thickness, therefore, of the [illegible]ing formation is as yet unkn[illegible] The great vigor of the wells w[illegible]em to indicate a pool of large [illegible]

The fine weather during th[illegible] two weeks to a great extent h[illegible] improved the wagon roads as [illegible]mit the hauling of heavy machi[illegible] without difficulty. The oil w[illegible]ply companies located at So[illegible]ake, therefore, are doing an enor[illegible]ness, and the wagon road [illegible]een Sour Lake and Batson is [illegible] by a succession of teams fro[illegible]ight till dark.

Railroad Service in Pro[illegible]

The Santa Fe Railroad [illegible] to run the first train over its [illegible]ara-toga branch January 24 and [illegible]anta Fe Townsite Company at Sa[illegible] has already practically comple[illegible] good wagon road from Saratoga [illegible]tson. It is understood that regular [illegible] service will be provided by th[illegible]road and that tickets will be [illegible] from Beaumont to Batson direct [illegible] new Saratoga branch of the Santa Fe will have a terminus within four [illegible] a half miles of Batson, and will han[illegible] nearly all freight and passengers [illegible] the trains are put into regular [illegible]ation.

Large Capacity of Wells Demonstrated.

At least three of the Ba[illegible] wells, viz: No. 3 Paraffine, No. 1 W. B. Sharp and No. 1 Riley, have shown actual gauges of from 750 to 1000 barrels per hour when flowing uncontrolled from the 1150 foot stratum. These tests extended over a number of hours in each case.

TEXAS OIL STATISTICS FOR THE YEAR 1903.

Shipments of crude and refined oils from the Beaumont and Sour Lake fields during the year 1903 amounted, in round figures, to 15,000,000 barrels. Of this, 7,572,849 barrels went from Port Arthur by steamer and barge to New Orleans, Atlantic coast points, Cuba, England and Egypt; 1,416,178 barrels went by steamer and barge from Sabine Pass to foreign and domestic ports, and 5,711,615 barrels were shipped by tank car to points in Texas and Louisiana, only a very small percentage of the rail shipments going to states other than these two.

From Jennings 298,800 barrels were shipped during the year 1903 by rail. Adding the Jennings shipments to the shipments of oil from the neighboring Texas fields brings the total of rail shipments for the year up to 6,010,415 barrels. Combining the rail shipments with the water shipments, makes the total record shipments from the Texas-Louisiana fields 14,999,442. The record of shipments by the Kansas City Southern railroad for the year was not obtainable, nor was it possible to get a complete record of barge shipments from the Jennings field, but it is reasonably certain that if these small, loose ends could be collected, they would bring the total movement of oil for the year to a figure in excess of 15,000,000 barrels.

Of the rail shipments the Southern Pacific handled from Gladys (Spindletop) 10,667 cars; from Beaumont, 1663 cars; from Sour Lake, 11,359 cars and from Jennings 1328 cars. Shipments from Sour Lake were not inaugurated until July, 1903, nevertheless the shipments from this point in the six months amounted to more than the combined shipments from the two points—Gladys and Beaumont—at which Spindletop oil was loaded for the entire year.

The Santa Fe moved 2833 cars from Beaumont. In computing the Southern Pacific shipments from Gladys and Beaumont an average car capacity of 200 barrels is employed. Most of the system cars shipped from Gladys and Beaumont are of 300 barrels capacity, while the private line cars vary from 160 to 200 barrels. At Sour Lake the 300-barrel system cars predominate, hence the average car capacity at that point is put at 225 barrels. The same applies to Jennings. The Santa Fe system cars are of 225 barrels capacity, and the average used in figuring the shipments by that line is 180 barrels.

In 1901 and 1902 the shipments from Port Arthur by water amounted to only 2,739,771 barrels, and from Sabine Pass, 1,363,763 barrels, or a total of 4,103,536 barrels, against 8,989,027 barrels in 1903 from these two ports—an increase of more than 100 per cent.

Figures to show the rail shipments during 1902 are not obtainable, but from those at hand it is apparent that the gain in rail shipments was equal almost to the percentage of increase in shipments by water.

It is next to impossible to figure the production of the various Texas fields for the year 1903, owing to the great number of operators and the diversity of interests, but close calculators, employed by big companies, are pretty near together on their estimates, which, conservatively stated, are as follows:

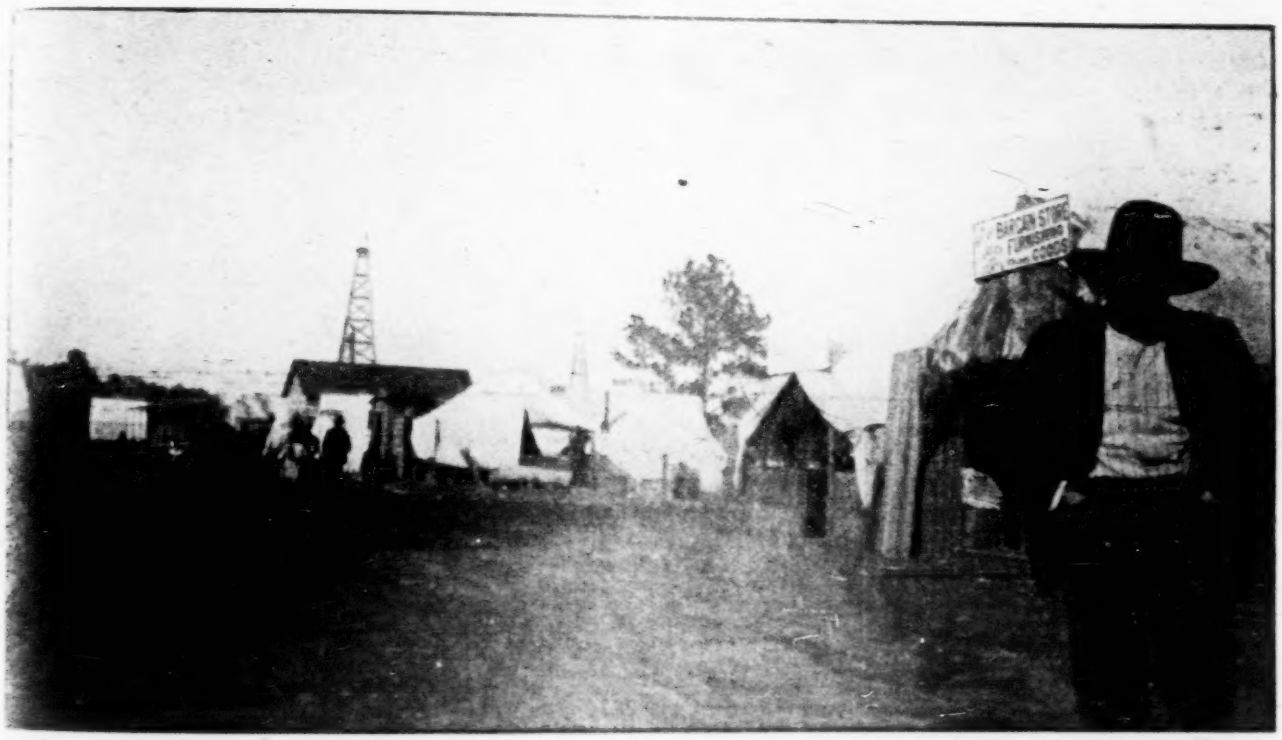
Spindletop—6,500,000 barrels.
Sour Lake—7,000,000 barrels.
Jennings—500,000 barrels.
Saratoga—100,000 barrels.

Total estimated production, 14,100,000 barrels.

Estimates of oil in storage range between 7,000,000 and 8,000,000 barrels, not including the 1,500,000 barrels in Southern Pacific tanks, or Texas oil in storage at eastern stations.

The Guffey Company has about 3,000,000 barrels in storage in the Sour Lake, Beaumont and Port Arthur districts; the Security Oil Company has close to 3,000,000 barrels in storage at Sour Lake, Beaumont, Delphine and at the plant on the Neches river. The Texas Company, Higgins Company, Heywood Company, and other large producers are carrying, all together, about 2,000,000 barrels. In addition

In The Town of Batson.



"Fifth Avenue", the Main Street of the New Batson Settlement. Photograph taken January 1, 1904.

N CALL

the Texas and Guffey companies have oil in storage at New Orleans.

Summarizing the situation at the close of the year, the following approximate results may be regarded as fairly accurate:

Oil moved from Texas and Louisiana fields during the year 1903, 15,000,000 barrels.

Oil produced in the Texas and Louisiana fields in the year 1903, 14,100,000 barrels.

Oil in storage January 1, 1904, 8,000,000 barrels. If the oil held by the Southern Pacific and Santa Fe for fuel use, and the oil stored at eastern stations is added it will bring the total of Texas oil in storage up to 10,500,000 barrels.

The new year opens auspiciously for the Texas fields. Batson promises to supply as much oil as Sour Lake has produced, or more, and it is of far better quality for refining purposes. With indications of new discoveries at various points in Southeast Texas, the oil industry in this section, as a whole, is in most prosperous condition.

HIGGINS PIPE LINE FROM BATSON TO SOUR LAKE.

The Higgins Oil & Fuel Company will spend $100,000 at Batson. Already the company has acquired nine acres of property, close in to the new wells, and two rigs are at work. Six-inch pipe has been ordered for a line from Batson direct to Sour Lake. This line will be used by the Higgins Company, the Paraffine Company, the Heywood Company and other producers who have oil to pipe to Sour Lake. From Sour Lake to Beaumont the Higgins Company will have the use of the United Oil & Refining Company's six-inch line, and from Beaumont to Port Arthur the line of the National Oil & Pipe Line Company will be used. This will give the Higgins Company excellent facilities for handling its Batson product. It will also provide a supply of Batson oil for the United Oil & Refining Company, and will afford facilities for the Paraffine and Heywood Companies. The large cash outlay by the Higgins Company may cause the directors of that company to defer payment of the January dividend, but the returns from the Batson property should more than compensate the company for the investment of its surplus at an opportune time.

The Heywood Oil Company is sinking the first well on its Batson lease. The location is within two hundred yards of the flowing wells. On January 13 the drill had reached 600 feet.

HOW FUEL OIL WOULD FIGURE IN A WAR IN THE FAR EAST.

If there is war in the Far East the petroleum trade will be interfered with —perhaps a matter of small concern when we consider the greater interests which will be imperilled and the lives which will be sacrificed, but there are some points, not by any means insignificant in themselves, which may be referred to in a paper like this. There are several important oil fields in Japan, a number of bulk oil installations in those very territories which Russia is seeking to acquire, a vast petroleum distributing trade in China and a few oil-fired battleships in the Russian navy.

The most important developments which have occurred in recent years in the production of petroleum in Japan have been largely the outcome of the employment of American energy and capital. The government of Japan, evidently alive to the significance of the discovery of petroleum in commercial quantities, sent engineering representatives to the oil fields of America, and there are oil men in Texas and California who can bear testimony to the courteous and careful manner in which they conducted their investigations in the chief oil fields of these states.

They took back to the land of the chrysanthemum a mass of trustworthy information, and the last reports show that this is being put to a practical use at the present moment, when several public companies are engaged in the exploitation of territories giving every promise of becoming prolific oil fields. American capital, we know, is receiving encouragement in Japan.

If there is war there is nothing unreasonable in the thought that petroleum may turn out to be a potent factor—that, in fact, oil fuel will be used for the first time by at least one of the belligerent navies.

If England and France are brought into the conflict, France, like Russia, will be in a position to make use of oil as fuel. In this respect France, having got beyond the experimental stage and adopted oil as a fuel, would probably employ it in any war which she might take part in.

Presumably, and curiously enough, we should say, France is using American oil fuel and not the product of the oil fields of her ally. If France were to range herself on the side of Russia she would be compelled to burn the fuel of that country, as the American supply would, no doubt, be cut off, and her one or two insignificant oil producing possessions would be unable to meet her demands. These points have a significance when we remember that some of the most important vessels in the Russian and French navies are equipped with oil-burning apparatus.

If war were declared in the Far East, oil-carrying vessels, like colliers, would be looked upon as blockade runners if they were bound for ports in the fighting zone, and if this country happened to be one of the combatants, our oil-carrying fleet in the Far East could not safely remain at sea. If war breaks out petroleum will, in several ways, play a part in the struggle, and there is some ground for the belief that oil fuel will be burned by some of the Russian ships of war.—J. D. Henry in Petroleum World.

NEW SCHEDULE OF PIPING AND STORAGE CHARGES.

The Texas Company, on January 1, posted the following schedule of piping and storage charges:

On and after this date, and until further notice, oil received from producer's settling tanks, connected to our lines, will be subject to the following charges for delivery from the districts named, through this company's lines and racks, to cars:

From Batson to Saratoga, 5 cents; to Sour Lake, 10 cents; to Beaumont, 20 cents; to Port Arthur, 25 cents.

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Manager C. L. Wallis of the Higgins Oil & Fuel Company has posted cards in the local offices of the company indicating the following rules of conduct for employes:

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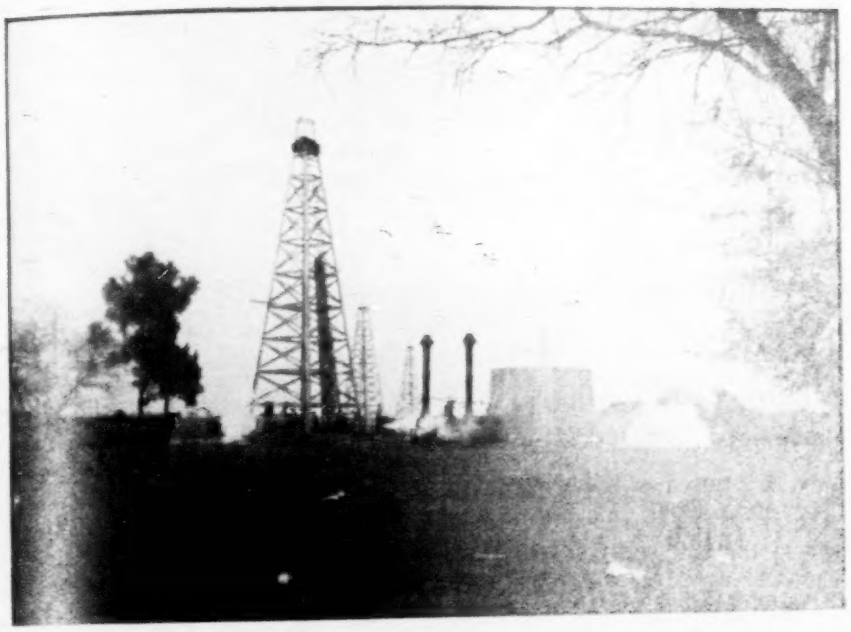

R[illegible] No. 1, (Phillips well) at Batson [illegible] company. This well came in January 3, 1904 [illegible] capacity of 18,000 barrels a day.

ANNUAL MEETING OF THE SHELL COMPANY.

[illegible] numbers of Petroleum and the Petroleum World, two London oil trade publications, contain extensive accounts of the meeting in London on December 22 of stockholders of the Shell Transport & Trading Company whose great tank steamers convey Texas oil from the Gulf refinery at Port Arthur to various European ports. Petroleum is embellished with numerous illustrations of the Shell Company's equipment and loading stations. A supplement is illustrated with photographic views of the company's stations at Copenhagen, Bombay, Colombo and Hong-Kong, and a splendid picture of the big tanker, Pinna.

At the annual meeting of the Shell Company shareholders a dividend of five per cent for the year 1903 was announced. Regarding the company's contract with the J. M. Guffey Petroleum Company, the chairman's report to the shareholders contained the following:

The next item I have to allude to is the contract which we made with the Guffey Petroleum Company for Texas oil, and in connection with which we felt justified in increasing the capacity of the fleet materially. Most unhappily the production of Texas oil declined ina manner which no expert could have foreseen, and so sudden was this, and so entirely unexpected, that in November, 1901, the contract price was reduced by the Guffey Petroleum Company, and so late as May, 1902, the Guffey Petroleum Company voluntarily further reduced the contract price of the liquid fuel which they had contracted to give us, in order to encourage the offtake. It was the more mortifying to us, therefore, that in the autumn of 1903 so grave a falling off in production occurred as to threaten the Guffey Company with most disastrous consequences if any attempt to enforce the contract rights, which we had obtained, had been made, and under the circumstances there was no option to your directors but to accept a compromise which the directors of the Guffey Company offered them, and this they have done.

Paraffine Company's No. 2 well at Batson flowing into 70,000 barrel reservoir. Discharge pipe submerged.

The Oil Investors Journal is indebted to Mr. C. K. MacFadden for the photographs from which the accompanying pictures of Batson scenes were made.

BIG SHELL LINE TANKER HERE FOR A LOAD OF TEXAS OIL.

The tanker "Spondilas" of the Shell Transport & Trading Company came up the ship canal to Port Arthur the afternoon of the 14th, having made her maiden trip across the Atlantic for a load of Texas crude. This new tank steamer is of the same size and capacity as the "Poetan" which recently carried the largest cargo of oil loaded from any Texas port.

The new boat will be loaded immediately with products from the Gulf Refining Company at Port Arthur, and is expected to be in regular service between Port Arthur and England from now on.

She is said to embody all the latest improvements in vessels of her class and when fully loaded will carry about 70,000 barrels of oil.

Mr. James Lane Allen, an American novelist, has become a dollar-millionaire through a chance investment in the Texas oil field. He acquired a tract of 250 acres of land in Southeast Texas. The land was worth less than £1 an acre, and was practically of no use except for pasturage. The gusher at Batson's Prairie is within a mile of the novelist's land. The new oil field is the scene of the wildest excitement, and a town of 1000 population has sprung up at Batson's Prairie, where there was only one store prior to the oil discovery. Now that land values are increasing daily, Mr. Allen could sell his entire tract at £600 an acre, but it is said he is holding it for £1000 an acre, which would bring him a fortune of £249,000.—Petroleum World, London.

All of which would be important, if it were true.

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Oil Investors' Journal.

SECOND YEAR.

Published on the First and Fifteenth of each Month.

Entered as Second-Class mail matter at the Post Office at Beaumont.

Subscription Rate $1.00 a Year, payable in advance.

Advertisements of stock companies are accepted with the express understanding that advertisers will furnish detailed statements of the holdings and condition of their companies for the information of subscribers of the JOURNAL, upon request.

Advertising rates on application.

Address all communications to

OIL INVESTORS' JOURNAL.
BEAUMONT, TEXAS.

HOLLAND S. REAVIS, Editor and Manager.

ANNOUNCEMENT.

Mr. Burton E. Newcomb has relinquished the management of the Oil Investors Journal to enter the manufacturing business at St. Louis, Mo. In his work in connection with this paper he exhibited sterling qualities of character and won many friends who regret to see him leave Beaumont, but who wish him the largest measure of success in his new field of labor. Mr. Holland S. Reavis, editor of the Oil Investors Journal, has assumed the management, and will have the various departments of the paper under his personal direction. There will be no change of aim or policy—the Journal will continue to give the facts regarding the petroleum industry of the new Texas and Louisiana districts; it will cater to no special interest or interests, but will treat all as they deserve to be treated. This paper is absolutely independent, free from influences that might warp its editorial utterances, not afraid of crooks in high places—and always ready "to be shown."

APPRECIATION OF THE OIL INVESTORS JOURNAL.

"I should be glad if you will mail me a copy of the Oil Investors Journal regularly as it will keep me 'au fait' with what is going on."—S. W. Money, secretary Beaumont (Texas) Petroleum & Liquid Fuel Company, Limited, of London.

"Enclosed find one dollar for one year's subscription to the Oil Investors Journal. I take the Journal and read it because I believe it tells the truth."—J. C. Longueville, Dubuque, Iowa.

"Your paper is interesting and deserving of support."—J. A. Gaston, Major, First Cavalry, Ft. Clark, Tex.

"I will give the Oil Investors Journal the highest praise for giving true and honest reports concerning the southern oil fields. A better paper for the money could not be published."—C. H. Kuttler, Jr., Dubuque, Iowa.

E. J. MARSHALL IN LOS ANGELES.

The new year brings to Los Angeles financial circles a man who has long held a prominent place in the business world of the South; and the Southwestern National Bank makes an addition of much strength to its officiary. At its meeting yesterday this bank elected E. J. Marshall, well-known banker and capitalist of Texas, as its vice-president. Mr. Marshall will at once assume the duties of his new position.

The celebrated Hogg-Swayne Syndicate of Texas was organized by Mr. Marshall, and he is still a member and trustee for this syndicate. He is also a member of the Texas Company, which counts among its shareholders John J. Mitchell, president of the Illinois Trust and Savings Bank; John W. Gates, James Hopkins, president of the Diamond Match Company; John Lambert, vice-president of the Kansas City Southern Railway Company; Colonel Elwood, president of the American Steel and Wire Company, and several other distinguished financiers.

Mr. Marshall is the organizer of the company which is in control of the bulk of the Texas oil fields, and is a director of the concern. For more than fifteen years he was at the head of the First National Bank of Lampasas, Tex., but recently sold his holdings in that institution to W. B. Chew, president of the Commercial National Bank of Houston, the largest and richest banking institution in the Lone Star State. As trustee, Mr. Marshall has held more property than any other man in Texas.—Los Angeles Times.

Is it possible that this gentleman whose financial accomplishments are so copiously described in the foregoing article from a Los Angeles newspaper is Mr. E. J. Marshall, one of the organizers of the defunct Citizens National Bank of Beaumont? If so, why has he failed, in giving the reporter such a glowing account of his Texas career and his elbow rubbing with such eminent masters of high finance as John W. Gates, to mention the fact that he was one of the shining lights in the self-dubbed "safe, liberal and progressive" institution which proved so unsafe for its patrons, so very liberal with its indicted president, Rod Oliver, and so progressive—in the wrong direction? Surely this was an oversight. Shouldn't he be proud of the fact that he was vice president and a director of this busted Beaumont bank—that he sold his stock in the institution to the busted president of this same busted institution and that when the bust came his personal account in the bank was overdrawn.

It is a long way from Beaumont to Los Angeles, and if this be the [illegible] Mr. Marshall we presume it may be safely said that the portion of his Texas history which he did not tell to the reporter was lost in transit.

CRUDE PRICES AS POSTED BY THE TEXAS COMPANY.

	Beaumont.	Sour Lake.
December 24	25	25
Previous Prices.		
June 1	75	63
June 13	72	60
June 19	69	57
June 23	64	52
June 27	54	42
July 3	48	36
July 11	42	30
July 14	37	25
July 30	30	20
August 1	30	25
September 12	37	24
September 16	40	25
November 9	45	35
November 16	50	40
November 21	50	45
November 25	50	40
December 18	45	35
December 19	43	35
December 21	35	25

(These quotations do not represent the exact market for Beaumont and Sour Lake crude, but they are near enough to indicate, in a general way, the prevailing prices. The market at Sour Lake on January 14 was 25 cents in tanks and at Beaumont 33 cents in tanks.)

NEW FLOWING WELLS AT JENNINGS.

The Chicago-Jennings No. 2 well at Jennings, south of the other development, came in on January 14, flowing at the rate of 90 barrels an hour. This well extends the proven territory several hundred feet. Rock was encountered at various depths, and the indications seem good for striking a solid rock when development is prosecuted farther to the south.

The suit of Valentine Huber against the Jennings-Heywood Oil Syndicate for title to 116 acres in the Jennings field was decided in favor of the syndicate last week by the Louisiana Supreme Court. The decision of the lower court was affirmed. This gives the syndicate a clean record in all litigation against title to its various holdings, as it has not lost a single case of this character. Its policy has been "millions for defense but not one cent for tribute."

DECEMBER PIPE LINE RUNS IN NORTHERN FIELDS.

During the last month of the year just closed there was an unlooked for gain in the runs of Pennsylvania oil, while the shipments declined and the drop in the stocks held in iron tanks was not so pronounced as in November. In the Trenton rock oil fields the runs were very nearly a stand-off with those of the preceding month, and there was a large gain in the shipments, making the decline in the Buckeye stocks over 11,000 barrels a day. The drain upon the surplus stocks shows no immediate signs of diminishing, although the producers have been drilling new wells at an unprecedented rate for six months past. A heavy decline in the stocks of oil above ground was recorded in November and the net reduction of the available supply of Pennsylvania and Trenton rock oils was over a half million barrels. The runs of Pennsylvania oil were the smallest of the past year and the lowest on record since February, 1905. The shipments were also slightly below the previous month's average. In the Lima oil districts, both the runs and shipments suffered losses, as compared with the October reports, but the consumption exceeded the supply by nearly 18,000 barrels a day and the surplus stocks were drawn upon to meet the emergency. A similar condition of affairs prevailed in October and both the Pennsylvania and Buckeye stocks suffered a reduction. There was likewise a considerable decline in the pipe line runs. The shipments of Pennsylvania oil were decreased during the month, while the Lima oil shipments made large gains.—Oil City Derrick.

ANNUAL MEETING OF THE PRODUCERS OIL COMPANY.

The annual meeting of the Producers Oil Company will be held at the offices of the company in Beaumont at 10 o'clock on the morning of January 18. This is the company which operates the various properties of the Texas Company on a percentage contract. It was organized by the men who compose the Texas Company and has $1,000,000 capital stock. Apparently there is something in the wind in connection with this meeting as Harris, Gates & Company are offering par—$100 a share—for the stock of the smaller shareholders. The company should have made a handsome profit from the operation of the Sour Lake property of the Texas Company and a dividend is not unlikely.

Operators agree that Sour Lake production has fallen to 18,000 or 20,000 barrels a day, whereas it was 75,000 barrels a day in August. Spindletop is producing from 12,000 to 13,000 barrels a day. The low price of oil and the promise of greater returns at Batson have caused many operators to abandon small wells at Beaumont and Sour Lake. The road from Sour Lake to Batson is strung from one end to the other with teams hauling drilling rigs, boilers and material from the former to the latter field. The scene is a repetition of that which was witnessed last May when the Spindletop contractors made their mad rush to Sour Lake. It is more than fifteen miles from Sour Lake to Batson and as the roads are bad it is a full day's haul.

CARL K. MAC FADDEN.

American Manager Beaumont (Texas) Petroleum & Liquid Fuel Company of London, England. Mr. MacFadden's company is operating extensively in the Hardin County (Tex.) fields and owns the largest wells in the Saratoga District. The company acquired its leases in 1900, the year before the Lucas well came in. Mr. MacFadden is an authority on matters pertaining to the Texas oil industry, and is intimately acquainted with the Hardin County territory.

The Security Oil Company will lay an eight-inch line from Batson to Sour Lake, where it will connect with the company's eight-inch line to Beaumont and Sabine Pass. Owing to the fact that Batson oil is of lighter gravity than either Beaumont or Sour Lake oil the Security Company is especially desirous of obtaining an adequate supply from the new field. Work will be rushed on the line.

BEAUMONT AND SOUR LAKE PRODUCERS ORGANIZE A STORAGE COMPANY.

Beaumont and Sour Lake operators, not allied with the pipe line companies, met at the Chamber of Commerce rooms in Beaumont on the evening of January 11 and organized the Producers Storage Company, with a capital of $100,000. The organization is intended to embrace in its membership all the individual producers in the new Texas fields.

It was the purpose of the meeting to devise ways and means by which the oil of the various producers might be stored and piped to market without depending to any extent upon the large companies owning the pipe lines and storage facilities, it being repeatedly charged that these companies have been instrumental at different times in running the price of oil down to a figure which made it unprofitable to operate wells of average size.

Since the opening up of the Batson field, with wells that are said to be capable of doing from 700 to 1000 barrels an hour, the price of oil at Beaumont and Sour Lake has taken a tumble from 65 cents to 28 and 30 cents, and the small producers, without storage or piping facilities, are compelled to accept the low prices for their daily production. It was with the object of discussing the matter and fixing upon some plan for remedying the unfavorable conditions that confront the individual producers that the meeting was called by Mr. R. E. Burt of the Burt-McGaffey Company, operating extensively at Sour Lake.

Mr. Burt called the meeting to order and Mr. James W. Swayne was made permanent chairman. The meeting chose Mr. Burt for secretary. Mr. Swayne outlined the purpose of the meeting and said it was time for the individual producers to make themselves independent of the big pipe line companies. To do this he said it would be necessary to organize, and to form an association which would have its own facilities for storing and marketing the oil of its members.

Secretary Burt then read the report of a committee which was appointed at a previous meeting held in Sour Lake to formulate a plan that would provide the desired relief from existing conditions. The report was as follows:

"To the Oil Producers of Beaumont and Sour Lake.

"Gentlemen: We, your committee appointed at a called meeting of the producers at Sour Lake, December 28, for the purpose of devising ways and means to improve the conditions of

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the producers of this section, beg leave to report as follows:

"We have canvassed the situation very thoroughly and would recommend that a producers' storage company be organized and chartered, with a capital stock of one hundred thousand dollars, for the purpose of handling the entire output of its stockholders; would suggest that seven stockholders constitute a board of directors, and out of said board shall be elected a president, vice president, secretary and treasurer, also an executive committee, composed of three members; would further suggest that the company secure by lease or purchase sufficient tankage with all necessary pipe line connections.

"If it is deemed advisable to accept this report, would then suggest that a committee of two be appointed by this meeting to solicit members, and prepare a charter for said company.

"Respectfully submitted,

"R. E. BURT,

"G. H. PARK."

From this point the proceedings are accurately detailed in the account of the meeting which appeared in the Beaumont Daily Journal of January 12th:

At the conclusion of the reading of the report the chair called for an expression of opinion in regard to the same from those present and came near disrupting the meeting by the different views of those who expressed themselves on the subject. James W. Swayne stepped into the breach and delivered a speech that had the effect of oil upon troubled waters, it calmed the storm and made peace and tranquility reign where troublous opinion was about to hold sway.

Col. F. A. Glass thought the occasion a momentous one and declared that concerted action was necessary, but could see no other plan that was feasible except that each man store his own oil and sell it through a common agent and could not see his way toward indorsing the storage plan, as the situation was too critical to remedy in that manner.

Mr. A. M. Britton thought that the plan proposed was the proper and only method that would serve the best interests of each of the producers.

Mr. Mark Wiess declared that he agreed with Mr. Glass in the matter and was in favor of each man storing his oil and using the common agency plan.

Mr. Burt then undertook to point out the difficulty of the plan proposed by Mr. Glass and the general unfeasibleness of it as far as permanent or temporary relief from the present unsatisfactory condition of things is concerned. He pointed out in a graphic manner the benefits to be derived from the storage company plan and declared that the banks would make loans on storage receipts wherever the producer needed the money, something that they would not do under any other system, as the storage warehouse receipt was a permanent guarantee that the oil upon which money was loaned was in actual storage and could not be smuggled from the tank, the association holding itself responsible for the oil upon which money had been borrowed. He pointed out that the same was in line with the bonded warehouse idea of the rice men, and which had been the salvation of the grower, as by it he was in a position to protect himself from the millman and could negotiate a loan upon the same at any time, as the banks accepted a bonded storage warehouse receipt as good collateral. The broker would also be done away with; this plan thus eliminating one great item of expense and one man who helped to keep down the prices through the process of speculation.

Mr. McEvoy wanted to know how much the bank would loan upon the same and told of a mutual cotton warehouse at Dallas that was operated successfully to the interests of the cotton growers, and thought that the plan was a feasible one.

Mr. T. W. Shepherd thought that but a single head should be provided, and advocated the oil exchange plan. He stated that he had a talk with the heads of the various banks and knew that they were willing to make loans.

Mr. Mark Wiess wanted to know whether or not under the plan proposed that oil could be quoted on board ship at Port Arthur, and thought that if it could, the organization would become one of the most important factors in the field.

The meeting was then regaled by a gentleman named Brown, who claimed to be an operator in the California field at Ventura. He told of an organization there to which he belonged and the membership of which was made up from that of a number of different companies and which did not prove a success, as about the time that the same was perfected the price of oil began to ascend and resulted in one of the members making a long-time contract with a user at a stated price, to the detriment of the others. He stated that the California association owned mutual tanks and prorated the amount of oil received for sale among the members according to the amount of oil that each had in storage. According to Mr. Brown, the association accomplished the purpose for which it was organized, as from that time on a standard of prices was maintained.

Mr. Swayne now stepped into the lime light of the public gaze, or as much of the public as was present, and made one of his hair-raising, soul-stirring speeches that had the effect of instantly smoothing over all the different opinions and making them see the thing from the same united standpoint. He declared that the matter had been thoroughly discussed at a previous meeting held at Sour Lake, and that all there decided that an association would not accomplish the desired purpose, as it could be construed as coming under the anti-trust law. The idea was to organize an incorporated company with sufficient capital to carry on the business successfully. Such action was decided upon by operators and owners of wells producing more than half the oil produced in Sour Lake. They had secured storage for from 500,000 to 700,000 barrels, and in this way it would be possible to store the oil until a large quantity could be disposed of at the best possible price. It would not cost more than $100 to make pipe line connections, and the only salaried officer would be the secretary, who would practically contract the work of the company.

Mr. Shepherd then assured the meeting that as far as it was within his knowledge, the producers of Beaumont were in hearty sympathy with the undertaking and would co-operate with the Sour Lake producers as far as possible. He thought, though, that the whole object of the meeting was for the benefit of the Sour Lake men and wanted to know where the Beaumont man came in. He was informed that the Beaumont man was in on the deal and would be taken care of just as well as the Sour Lake man, and in fact would reap more of the benefits.

Most of those present announced their intention and willingness to join such an association and would become stockholders in the company. The following resolution was then adopted:

"Resolved, That it is the consensus of opinion of this meeting that a producers' storage company be organized."

Upon motion of Col. Britton it was decided to form the above and incorporate in accordance with the laws of the State with a capital of $100,000, one-half of this to be considered as being subscribed and the 10 per cent that the law required to be paid in before a charter was issued to be payable upon demand. The Burt-McGaffey Company, J. W. Swayne, the Oriole Company, A. M. Britton, J. W. McEvoy and the Davy Crockett Company agreed to stand behind the same, other oil producers giving later assurances

of the same. A committee consisting of G. H. Park and R. E. Burt was appointed to place the matter before the producers of Sour Lake, and then it was decided that a meeting be held next Monday night for the purpose of perfecting the arrangements agreed upon last night and a final organization of the company.

CROOKED MEN OF HIGH FINANCE.

The New York World and the St. Louis Post-Dispatch continue to expose the bold and bald crookedness of the shipbuilding syndicate.

The trust's attorney writing from France shows that the entire enterprise was a skin game. He actually got mad at the French because they were not ready to bite. He smacked his lips in glee at the prospect of getting the Pope to invest his savings in the great game of stock jobbing.

Every new detail of the deal shows the alleged men of high finance interested in it, as a pack of thieves, who hardly took the trouble to cloak their knavery under disguises or euphemisms. They united to rob the earth, and meantime they were robbing one another.

Nixon and Schwab and Dresser and the others lied to one another, held out money on one another, doctored statements, and in general behaved like a pack of crooks ignorant of even thieves' honor. What are we to say of this? Nothing, evidently. The thieves got together and agreed to settle their differences that the public might not catch on to them all. The story was choked off in the interest of saving the entire market and the reputations of the magnates. "Suppress the rottenness" was the cure the market devised, and all the papers but those I have mentioned, appear to have acquiesced. And yet the country thunders against the municipal and legislative boodler.

What hope is there for financial vigor and morality among the smaller citizens of the country when the men who have pointed out as examples of supreme American success are shown to have indulged in practices that are no whit less crooked than the rankest confidence game or get-rich-quick job ever concocted? John A. Lee, of Missouri, is no worse than Schwab. No grafting member of the St. Louis Municipal Assembly was any worse morally than Lewis T. Nixon.

Read the story of Gates, the Forgetful, in one of the current magazines, and say whether the meanest creature who has been pinched for bribery in St. Louis is not his superior in integrity. Follow up Miss Ida M. Tarbell's story of Rockefeller in another magazine, and then, if you can, find words to condemn the men who tried to pass the Suburban bill in St. Louis with money because they found the Assembly plugged with money against their measures. Study the intimations as to the methods whereby the Fuller Construction Company rose to supremacy in the building line in New York, and then condemn the boys who split up a large bundle at a birthday party in St. Louis while the celebrant of the natal day whistled "Home, Sweet Home" to his own pious accompaniment.

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There is no escaping the fact that most of the great fortunes of the country are tainted with corruption in the getting. There is no escaping the law that sin has its punishment one way or another, and that the sons and daughters and wives reared and nurtured on corruptly acquired wealth must take unto themselves some of the corruption. It is folly for the writers and preachers of the day to be lecturing the poor upon the virtues, when the very people to whom the writers and preachers sycophantically defer in public and private are grossly immoral in business, even to the point of robbing the widow and the orphan. There is abundant condemnation for all those who steal in little or who give evidence that they live in some degree of surrender to the natural and more kindly passions, but how little real condemnation there is for the big crooks whose methods resulting in financial success are emulated by the thousands below them, struggling for existence.

Reading of Morgan, of Rockefeller, of Gates, of Carnegie's rise to fame, of Nixon, why should we wonder at men like Croker of New York, or thunder against a man like Ed Butler in St. Louis? Is there anyone who reads this paragraph who can express surprise that when he mixes among the humbler folks in the city or the country he comes so frequently upon the man who holds the belief that "nobody is on the square." Of course there are plenty of people "on the square," but the point is that so many people quickly generalizing from particular instances believe that there are very few "on the square."

It is almost impossible for anyone who moves at all in the actual world to refrain from preferring the frankly bad people, the open crooks, the undisguised scoundrels, the scarlet women, to the many persons in more or less honored place in society who have all the vices of the tabooed elements and none of their virtues to speak of. The revelations of high finance and the scandals of high society do not mean that all financiers are thieves or that all people in society are miscellaneous in their affections, but they assuredly do mean that there is a frightful amount of rottenness at the top of our social system and that most of the rottenness we find at the bottom is filtered down from the top.

And the people at the bottom seem to suffer palpably for their misdeeds, while those at the top do not.—William Marion Reedy in the St. Louis Mirror.

SOME CHARACTERISTICS OF PETROLEUM.

Up to the present, the problem of the origin of oil has been based only on hypothesis. All theories and the deduced evidence from observation and experiments show clearly that petroleum is not due to a simple process, but to the combination of a number of processes, producing, according to the character of the re-actions, different classes of petroleum. The regions where petroleum is concentrating or has accumulated are not, in the majority of cases, the places where the oil was formed, and the collections of oil should be termed oil reservoirs, to distinguish them from other spots where petroleum has originated. Whilst remembering the above facts, the conditions which constitute an oil field of commercial value will be enumerated.

As petroleum is an elastic fluid, either disseminated amidst strata capable of absorbing it, or filling fissures or hollows in loose formations, it is advisable to determine in prospecting for oil, the nature of the strata of the region under investigation. Petroleum is usually found in sand, sandstone strata, brittle or compact schistoic clay, and marl, with frequent alternations of strata, and it may occur in veins or be dispersed amidst the formation.

Where petroleum is secreted in veins alone, deposits are usually characterized by absence of sand; but if oil is found disseminated amidst beds of sand that lie between strata of clay or marl, the quantity is usually great.

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Reading of Morgan, of Rockefeller, of Gates, of Carnegie's rise to fame, of Nixon, why should we wonder at men like Croker of New York, or thunder against a man like Ed Butler in St. Louis? Is there anyone who reads this paragraph who can express surprise that when he mixes among the humbler folks in the city or the country he comes so frequently upon the man who holds the belief that "nobody is on the square." Of course there are plenty of people "on the square," but the point is that so many people quickly generalizing from particular instances believe that there are very few "on the square."

It is almost impossible for anyone who moves at all in the actual world to refrain from preferring the frankly bad people, the open crooks, the undisguised scoundrels, the scarlet women, to the many persons in more or less honored place in society who have all the vices of the tabooed elements and none of their virtues to speak of. The revelations of high finance and the scandals of high society do not mean that all financiers are thieves or that all people in society are miscellaneous in their affections, but they assuredly do mean that there is a frightful amount of rottenness at the top of our social system and that most of the rottenness we find at the bottom is filtered down from the top.

And the people at the bottom seem to suffer palpably for their misdeeds, while those at the top do not.—William Marion Reedy in the St. Louis Mirror.

SOME CHARACTERISTICS OF PETROLEUM.

Up to the present, the problem of the origin of oil has been based only on hypothesis. All theories and the deduced evidence from observation and experiments show clearly that petroleum is not due to a simple process, but to the combination of a number of processes, producing, according to the character of the re-actions, different classes of petroleum. The regions where petroleum is concentrating or has accumulated are not, in the majority of cases, the places where the oil was formed, and the collections of oil should be termed oil reservoirs, to distinguish them from other spots where petroleum has originated. Whilst remembering the above facts, the conditions which constitute an oil field of commercial value will be enumerated.

As petroleum is an elastic fluid, either disseminated amidst strata capable of absorbing it, or filling fissures or hollows in loose formations, it is advisable to determine in prospecting for oil, the nature of the strata of the region under investigation. Petroleum is usually found in sand, sandstone strata, brittle or compact schistoic clay, and marl, with frequent alternations of strata, and it may occur in veins or be dispersed amidst the formation.

Where petroleum is secreted in veins alone, deposits are usually characterized by absence of sand; but if oil is found disseminated amidst beds of sand that lie between strata of clay or marl, the quantity is usually great.

Shipments of Oil From Port Arthur

DATE	RIG	NAME OF VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	QUANTY IN BBLS.
Dec. 31	S. S.	Northtown	Guffey Co.	Standard	Const'ble, Hk	Crude	22 104
31	"	Ligonier	Guffey Co.	GuffeyCo	Phila., Pa	"	20 300
31	"	Ligonier	Guffey Co	"	"	Solar	8 000
Jan. 1	"	Florida	Texas Co	Texas Co	New Orleans	Crude	11 618
1	Barge	Shenango	Gulf Ref. Co	Guffey Co	" "	"	26 208
3	S. S.	Northwestern	Gulf Ref. Co	Standard	Const'ble, Hk	"	22 382
3	"	Paraguay	Gulf Ref. Co	Sun Co.	Marcus Hk., Pa	"	18 685
4	"	Roma	Gulf Ref. Co	"	" "	"	25 510
5	"	Northeastern	Texas Co	Standaad	Const'ble, Hk	"	22 063
8	"	Winifred	Gulf Ref. Co	"	" "	Solar	18 102
8	"	Winifred	Gulf Ref. Co	"	" "	Lubricating	500
11	"	Florida	Texas Co	Texas Co	New Orleans	Crude	11 930
12	Barge	Clarke No. 3	Nat. O. & P. L. Co.	Bowers Ddgng Co	Galveston	"	8 528
		TOTAL FOR 1904 (Barrels.)					165 604

Total inclusive of December 31, 1903 (Barrels)	50 104
Previous shipments from Port Arthur (Barrels)	10 262 518
Total for the years 1901, 1902 and 1903 (Barrels)	10 312 622
Total for 1901 and 1902 (Barrels)	2 739 775
Total for 1903 (Barrels)	7 572 847

Shipments From Sabine Pass

DATE	RIG	NAME OF VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	QUANTITY IN BBLS.
Dec. 31	S. S.	Toledo	Sun Co.	Sun Co.	Marcus Hook	Crude	20 [illegible]
Jan. 12	"	Northman	Security Co	Standard	New York	Solar	22 [illegible]
		TOTAL FOR 1904 (Barrels.)					42 [illegible]

Total inclusive of December 31, 1903 (Barrels)	[illegible]
Previous shipments from Sabine Pass (Barrels)	2 770 [illegible]
Total for the years 1901, 1902 and 1903 (Barrels)	2 77[illegible]
Total for 1901 and 1902 (Barrels)	1 3[illegible]
Total for 1903 (Barrels)	1 4[illegible]

The action of water, which is heavier than oil, is to expel the oil from the strata, and according to the local conditions the oil is either forced into an upper stratum or expelled from the district altogether. When water is prevalent and constantly flowing from the ground, the oil strata cannot be considered to be valuable, but where water is due to some local disturbance its presence can be overcome by bailing, and oil appears. If water occurs in upper strata it can be overcome by cementing the well.—Petroleum, London.

It has been demonstrated at gas works in the United States that 90 per cent of this Texas oil can be converted into the best quality of illuminating gas of high candle power. A ton of Texas crude will produce 394,000 cubic feet of 6 candle power gas, classed as fuel gas, or 75,000 cubic feet of 23 candle power equal to the gas furnished in New York City, or 81,000 cubic feet of 20 candle power, which is a higher candle power than gas furnished by the London or Paris gas works. It will do this at a cost much lower than the same quality can be made from any other raw material. The oil sent to New York, Philadelphia and London for gas works is desulphurized and sells as gas or solar oil.—D. Noble Rowan in Petroleum World.

The Independence and Grace Oil Companies in conjunction with Samuel Kaye and R. L. Brady are putting down a well on ten acres about one and one-fourth miles almost due east of the present proven field at Batson, and almost in a direct line between Batson and Saratoga. Surface indications are good and if the well is brought in successfully it will very greatly enlarge the producing area.

PETROLEUM IN UTAH.

Salt Lake City papers contain glowing accounts of the prospects for oil and gas in the Salt Lake valley. Several wells have been drilled, but the gas was developed in a shale formation and speedily became exhausted. It is now proposed to sink wells to a much greater depth, with the expectation of finding oil at a depth of 3000 or 4000 feet. The Salt Lake Herald says that Guffey & Galey have made a careful investigation of the conditions prevailing in the valley, and as a result have let the contract for drilling several wells at Farmington, a few miles north of the city. The firm controls about 16,000 acres of land, and gas, oil well machinery and drillers will be dispatched at once to begin the work of exploitation.

The Herald predicts a glorious future for Salt Lake City and says that millions will be spent in the development of oil and gas; mills and manufactories will follow, and the population will grow at such a pace that ten years hence the Salt Lake of today will possibly a little more than make a respectable suburb for the city it will then be. Railroads will be using oil for fuel; the iron fields will be in full operation, and foundries, rolling mills, machine shops, structural iron works and other industries dependent upon cheap fuel, will be reared on every hand. In fact, the successful results which are predicted from the entry of the men named into this field can hardly be conceived or its far-reaching benefits imagined at this time.

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Of course the primary requisite to make real this glowing picture is the existence of gas and oil in commercial quantities, but if these substances are contained in the underlying rocks of the Salt Lake valley, Guffey & Galey will be sure to find them. A large flow of gas was encountered near Farmington in 1901 through the work done there by William Driver. It gradually gave out, however, and experts now explain that it was because it never went down to a solid formation, the deepest well sunk at that time being about 1000 feet deep.

It is firmly believed that gas will be found in unlimited quantities, and this product promises to be as valuable as oil. Gas can be lit on the surface of the ground today in hundreds of places from Hot Springs to Corinne, and has been known to exist through the valley for years. Indications of both gas and oil can be found all along the lake above Corinne. Considerable Salt Lake capital has been expended in the Beaumont, Texas, oil fields, but it has been quite difficult to induce investments into prospective oil lands near at home. The syndicate contracting with Guffey & Galey in this latest enterprise consists of the following: S. V. Shelp, Charles K. Rowland, Charles A. Walker, P. S. Keogh, T. J. Anderson and Robert E. C. Wilson. S. V. Shelp will act as trustee.—Oil City Derrick.

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